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INITIATIVES FOR CHANGE: FOLLOW-UP TO DECISION 95/22, PARAGRAPH 4

Note by the Administrator

CONTENTS

		Paragraphs	Page
I.	PURPOSE	1	2
II.	CORPORATE PLANNING IN UNDP	2 - 11	2
	A. Structure and process	2 - 8	2
	B. Plan period	9 - 11	3
III.	THE 1996-1997 CORPORATE PLAN	12 - 38	4
	A. Mission statement	13 - 15	4
	B. Situational analysis	16 - 17	4
	C. Operational objectives and action plan	18 - 34	5
	D. Monitoring and reporting	35 - 38	9

Annexes

I.	1995 Key goals: memorandum from the Administrator	11
II.	Draft mission statement	18

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I. PURPOSE

1. The present note is submitted in response to paragraph 4 of Executive Board decision 95/22. It reviews lessons learned from the first efforts of UNDP in corporate planning and indicates proposed refinements in the structure of future corporate plans and in the corporate planning process itself, including several already endorsed by UNDP senior management. The note also contains the proposals for the main elements of the 1996-1997 corporate plan, which will be presented to the Board at its annual session 1996 in further pursuance of its decision 95/22.

II. CORPORATE PLANNING IN UNDP

A. Structure and process

2. UNDP made its first corporate plan available to the Executive Board at its annual session in 1995. The plan, which is a new tool in the making, defines the scope of the organization's annual work programme within the mandate given in decision 94/14 and establishes measures of organizational performance and accountability.

3. As with other instruments of its kind, the 1995 corporate plan posits objectives on three levels: mission goals, corporate operational objectives, and unit-level objectives. The plan identifies key results areas that bring objectives on these three levels into functional alignment. In this way, the plan seeks to bring individual units and the organization as a whole closer to achieving corporate goals and to show the contribution of each unit in that process. The plan also sets out performance indicators for gauging outcomes in key results areas and identifies lead focal points responsible for coordinating tasks in cross-functional areas. The new tool thus provides a framework for managing and monitoring institutional change with greater accountability.

4. The 1995 plan was developed in the first four months of the year. Its three corporate goals were adopted from the UNDP strategic planning framework (a synthesis of the dialogue leading to, and the priorities arising from, decision 94/14).

5. The plan moved forward after the Administrator and senior managers, through a consultative process early in 1995, identified five major operational priorities within the strategic planning framework. These priorities, subsequently adopted in the 1995 plan, were:

(a) Strengthen country offices for the operationalization of sustainable human development (SHD);

(b) Increase resource mobilization and constituency-building;

(c) Prepare the 1996-1997 biennial budget strategy and the fifth cycle Successor Arrangement;

(d) Improve support to the United Nations system and fulfil the role of UNDP in the "continuum";

(e) Improve UNDP management accountability and information systems.

6. The Office of Evaluation and Strategic Planning (OESP) provided guidance and advice to bureaux and units on how their individual annual work plans should be aligned with the new corporate planning process. It was agreed that these work plans would contain three new structural elements: (a) a situational analysis; (b) key results areas; and (c) indicators of performance. These elements are present in many 1995 unit plans.

7. Further improvements in the corporate planning process have since been endorsed by senior management. Senior managers will determine operational priorities earlier in the organizational calendar. Timely decisions on such priorities will encourage coordinated work planning by bureaux and units.

8. At the bureau/unit level, managers will develop more precise and realistic performance measures related to quantity, quality and timeliness. In addition, a standard work plan format is being developed and will be adopted by all units. A standardized format will introduce greater consistency in the formulation of work programmes. It will help managers to capture more uniformly the categories of information required to monitor organizational performance under the next plan, and will show more clearly how each unit contributes to the overall goals of the organization. Last but not least, such standardization will facilitate the automation of the process by which the corporate plan is prepared.

B. Plan period

9. The 1995 corporate plan was developed in step with the annual Performance Appraisal Review (PAR) and bureau/unit work planning processes in UNDP, which are usually completed in the first quarter of the year. These three exercises are closely interrelated and should continue to be undertaken together according to a schedule that allows for review, consultation and adjustment. It is, however, desirable to advance that schedule in order to enable UNDP to complete its corporate plan somewhat earlier.

10. Furthermore, it is important to develop a closer relationship between the planning and budgetary cycles in UNDP and therefore to align these two cycles as soon as feasible. Since UNDP prepares its budget estimates on a biennial basis, with annual revisions at mid-point, synchronizing the corporate plan and the biennial budget processes would lead to an integrated two-year plan period. This would offer managers a realistic financial and temporal framework for implementing the major operational objectives of the organization.

11. It is proposed that this synchronization be achieved by the start of the next biennial budget cycle (1998-1999). As a transitional step, senior management has decided that the forthcoming corporate plan should span the eighteen months between June 1996 and December 1997. The current plan for 1995 did not in fact become operational until mid-1995 and much that is in it will continue to be implemented through the first half of 1996. A summary of current

highlights is presented in the Administrator's memorandum "Five goals for the coming year", dated 3 April 1995 (see annex I).

III. THE 1996-1997 CORPORATE PLAN

12. Based on the foregoing review, and taking into account Executive Board decision 95/22, the following structure is proposed for the 1996-1997 corporate plan: (a) mission statement; (b) situational analysis; (c) corporate operational objectives; (d) action plan (matrix). The main elements of each proposed section are outlined below.

A. Mission statement

13. In paragraph 4 of its decision 95/22, the Executive Board indicated the need for a concise mission statement drawing together all the essential functions of UNDP in the light of the goals and priority areas of decision 94/14. There are four such areas: poverty elimination; the creation of employment and sustainable livelihoods; the advancement of women; and the regeneration of the environment. In paragraph 3 of decision 95/22, the Board referred to poverty elimination as "the overriding priority in the programmes of UNDP" and cited capacity-building as the leading comparative advantage of UNDP.

14. The decision that UNDP should concentrate, within the SHD framework and among its four priority areas, on poverty elimination is an important development in UNDP's programme mandate. UNDP is therefore refining the policy focus, cross-thematic implications and operational consequences of its newly concentrated mandate. The Bureau for Programme Policy and Support (BPPS) is initiating a series of consultations and UNDP will be consulting informally with the Executive Board on this matter.

15. In order to formulate a representative UNDP mission statement, the Administrator, in October 1995, requested senior managers both at headquarters and in country offices to consult with their staff on a text drafted to take account of the consensus on the new strategic direction of UNDP reached at the Rye global meeting and, most importantly, in decisions 94/14 and 95/22. The Staff Council was also invited to review this draft. The mission statement (see annex II) captures the outcome of this consultative process and will be part of the 1996-1997 corporate plan.

B. Situational analysis

16. In the same way as for the 1995 corporate plan, this section will provide an executive-level assessment of the role and performance of UNDP in a changing global environment. The assessment will identify the major priorities and issues of UNDP, including concentration on poverty elimination, that will influence operations in the near term.

17. The section will also provide an analysis of programme trends, continuing institutional changes in UNDP, management dimensions, the resource position of

the organization and other strategic issues related to the mission and objectives of UNDP.

C. Operational objectives and action plan

18. At the time of writing (November 1995), consultations between the Administrator and senior management on UNDP near-term operational priorities were moving forward. Seven corporate operational objectives have provisionally been identified through this discussion. If adopted, these objectives would provide continuity with those of the 1995 corporate plan and would thus confirm UNDP efforts to sustain its new orientation. The seven objectives define outcomes considered pivotal to the organization's overall performance under its mandate. Such objectives, once finalized, would constitute a framework for the preparation of unit-level operational plans, which would in turn define results areas that will support these major outcomes.

19. In preparing the 1996-1997 plan, consideration could be given to bringing operational objectives (2), (3) and (4) below - which focus on the closely interrelated issues of decentralization, management accountability and human resources management - under one umbrella objective relating to the creation of a leaner, more accountable organization. For the purpose of clarifying operational implications in these three areas, they are identified separately in the present note.

1. Operationalizing SHD with a concentrated focus on poverty elimination, particularly through strengthening UNDP country offices

Comment

20. It is understood that UNDP must redouble its efforts to deliver SHD programmes, aided by the new priorities and framework for resource assignments approved by the Executive Board at its annual session in 1995. The Board's decision that poverty elimination should be the overriding priority of UNDP indicates a sharper policy focus for such programming. As noted earlier, BPPS has embarked on a plan for developing a more distinct anti-poverty focus within the main UNDP thematic areas. BPPS will also lead efforts to address the multidimensional challenge of poverty elimination from a cross-thematic perspective. In support of this focus, particular attention will be given to an analysis of measures that will help to create an enabling environment for popular participation, private sector development, responsible governance, and growth with equity.

21. Regional bureaux and country offices have already undertaken substantial innovative work in SHD at the country level. They will build on this experience and will be closely involved in the development and application of the new programming tools and modalities that are required. The restructuring of country offices to respond to new programming needs will also continue to be a corporate priority. This objective therefore has major operational implications and derives directly from the UNDP programme mandate.

2. Implementing the new programming cycle arrangements and ensuring enhanced delivery

Comment

22. This objective is the sequel to its predecessor in 1995, and takes into account the adoption of decision 95/23. Several innovative resource planning, assignment and programming processes will be worked out, tested and confirmed during the next two years. Methodological changes will need to be completed by 1997 and a transitional arrangement is currently being put into place. This work will involve not only the Division for Resources Planning and Coordination of the Bureau for Resources and External Affairs (BREA/DRPC) and the Division for Operational Policies and Procedures (BPPS/DOPP) but also the regional bureaux and all country offices. UNDP expects to devote significant corporate energy and time to making the new incentive-based arrangement fully operational and to monitoring and evaluating its functioning.

23. Line units responsible for programme management and implementation are expected to make special efforts to ensure the full delivery of quality programmes under the new arrangements. The enhancement of programme content to reflect the SHD mission and, within it, the concentration on poverty elimination, will be a critical consideration, together with the optimal utilization of resources available for programming. A separate focus on this objective in the corporate plan is justified in view of the close interest of all stakeholders in the new system.

3. Building constituencies and mobilizing resources for SHD

Comment

24. UNDP must continue to develop a stronger media presence, a clearer public profile and a more active constituency base grounded in its mission to promote SHD. It will also continue to have a significant role in framing aspects of the global development agenda, including through the Human Development Report and in identifying elements of a new framework for development cooperation based on SHD. UNDP has important outreach assignments in the follow-up to major United Nations global conferences, which can be fulfilled only through cooperation with non-governmental organizations (NGOs), the private sector, the science and technology community, legislators, women's groups and other similar parties. This work must proceed at the global, regional and national levels. There are significant operational implications for BREA, BPPS, the Human Development Report Office (HDRO), ODS and OESP in this area. Constituency building also cuts across the activities of the Regional Bureaux and Country Offices, and is an essential objective of the new, more globally conscious and outward-looking UNDP.

25. In 1995, UNDP designed and adopted a new, differentiated corporate resource mobilization strategy, with emphasis on enhanced mobilization of core resources. It will help the organization to define product lines, target core contributions more systematically, promote planned non-core funding and conduct internally coordinated approaches to individual donors. While the Division for Resource

Mobilization (BREA/DRM) will take the lead in this area, this strategy also emphasizes efforts at the national level. It will, by its nature, engage extensively the regional bureaux, country offices, BPPS and the United Nations Office for Project Services (UNOPS).

4. Testing modalities of decentralization

Comment

26. The changes recently adopted in the UNDP organizational structure and programme resource allocation system rest on the assumption that UNDP must strengthen one of its chief comparative advantages, namely its network of country offices. This, in turn, implies that the potential of that network must be realized by placing capacities and functions in optimal locations through decentralization. UNDP is already committed to this objective within the framework of its 1996-1997 biennial budget.

27. To move UNDP in this direction, nine country offices and one headquarters division have been identified as the first in a wave of centres of experimentation that will help the organization to test and refine innovations in quality service and programme impact assessment at the country level. The centres will provide feedback on their experience with new procedures for the increased delegation of programme and project approval authority; revised planning, programming and reporting schedules; and the improved monitoring, review and audit of programme operations. More offices will be designated centres of experimentation and agents of change each year. The experiment is being overseen by OESP in conjunction with the regional bureaux and the Division of Personnel (DOP). The Division of Finance in the Bureau for Finance and Administration (BFA/DOF) and the Division of Audit and Management Review (DAMR) will oversee financial monitoring and accountability aspects.

28. In the next corporate plan period, UNDP will implement, as part of decentralization, the Integrated Programme Management (IPM) and Integrated Management Information Systems (IMIS) initiatives. These two essential undertakings will help to transform the knowledge base of the organization and encourage more informed decision-making at all levels. The Division of Administrative and Information Services (BFA/DAIS) has a major role in coordinating these initiatives, in conjunction with BPPS, OESP, regional bureaux and country offices.

5. Improving management accountability

Comment

29. The Administrator considers this to be a fundamental, ongoing objective, with operational aspects that are both financial and substantive. On the financial side, BFA and DAMR will continue to strengthen, maintain and monitor the accountability systems of UNDP, including codes of personal conduct and financial rules and regulations. UNDP has put in place and enforces procedures that impose personal liability for loss to the organization and penalize

infractions of financial or other rules. Linkages between individual staff performance, unit work plans and the corporate plan itself must be further developed to ensure the highest standards of personal responsibility. New audit procedures must also be replicated programme wide. UNDP country offices in Asia and Africa are now independently audited by leading international accounting firms, a practice that should be applied everywhere in the near future.

30. In substantive terms, OESP, with the regional bureaux and country offices, will continue to emphasize independent evaluations and results-based programme management and assessment while BPPS/DOPP will support the development of operational procedures for programming with accountability.

6. Managing human resources for change

Comment

31. DOP is preparing a major human resources strategy that will underpin most of the changes that UNDP seeks to effect in the next two years. The strategy will identify targets for the size, composition and flow of the UNDP workforce in the light of: emerging functional and thematic priorities; the budgetary environment; the revised organizational structure of UNDP; and considerations such as gender equity. Recruitment, reassignment, performance management, career development, job classification and conditions of service will be reviewed and adjusted to support the refocused mission of UNDP. Together with DOP, managers in all areas, in cooperation with the Staff Council, will participate in adapting the human resources management function to deal with the process of change and restructuring.

7. Enhancing the function of the resident coordinator and UNDP performance in countries in crisis and other emergency situations

Comment

32. Recognizing the need to overcome fragmentation and improve coordination in the United Nations, UNDP has made managing and supporting the resident coordinator system a top priority. Recruitment of resident coordinators/resident representatives has been extended to other United Nations organizations and special training programmes have been put in place. Additional UNDP resources will be allocated to support the work of the resident coordinator, including in emergency situations.

33. Resident coordinator/resident representative assignment exercises have been made more rigorous, with clearer definitions of individual country needs. The system has been expanded to accommodate the humanitarian coordinator function and it seeks to surround crises with development opportunities. Simultaneously, United Nations specialized agencies have moved to recognize and strengthen the role of resident coordinators and UNDP has created the Office of United Nations Support Services (OUNS) at headquarters to provide special support to the

system. These are major responsibilities and challenges on which UNDP must focus its corporate efforts as a service to the United Nations.

Matrix

34. The action plan for implementing UNDP operational objectives will follow the structure that was tested and found useful in 1995. That is, it will consist of a matrix of major objectives and, under each one, will indicate aggregate subobjectives, key results areas, performance measures and lead focal points. The action plan will be developed in the first quarter of 1996, in conjunction with the formulation of bureaux and unit work plans.

D. Monitoring and reporting

35. UNDP has a multilevel, decentralized structure for monitoring the implementation of the corporate plan. Monitoring mechanisms exist on different levels, ranging from the Performance Appraisal Review (PAR) assessments to the Strategy and Management Committee (SMC) and the Executive Board itself.

36. Bureaux and units are responsible for monitoring the implementation of work plans. Projects and programmes are monitored by country offices. The regional bureaux design and implement their own mechanisms for monitoring the performance of country offices. Central services bureaux and units in headquarters monitor their own activities, against the performance measures specified in work plans. Organizational progress on strategic priorities is monitored by OESP.

37. These internal arrangements will remain in effect and will be strengthened during the next plan period. In particular, it is necessary to solidify at headquarters the system of periodic progress reports from Bureaux and units through which OESP monitors the corporate plan. Since July 1995, the quarterly report, Managing Change: Update has mirrored the operational objectives of the 1995 corporate plan. The effectiveness of this report depends on the extent and quality of information provided by headquarters units. As stated earlier, senior managers will give more attention to ensuring consistency in this respect by adopting a standard format for unit work plans and by assigning fixed reporting officers in their respective areas.

38. At the level of the Executive Board, and in the interests of streamlined documentation, UNDP will bring a new focus to an existing reporting system. From June 1996 onward, the introduction to the annual report of the Administrator will provide an aggregate account of organizational performance under the corporate plan.

Annex I

1995 KEY GOALS: MEMORANDUM FROM THE ADMINISTRATOR

The Administrator **United Nations Development Programme**
Sustainable Human Development

MEMORANDUM

To: Strategy and Management Committee Members
Resident Representatives — 3 April 1995

From: James Gustave Speth — Extn. 5791

Subject: Five Key Goals for UNDP in the Coming Year

UNDP is embarked on an important journey to reinvent itself and to strengthen the UN system's capacity to deliver more effective and efficient technical and other forms of assistance to the developing countries and countries in transition, in support of sustainable human development. Within the SHD framework, UNDP must also respond to challenges in crisis-prone countries and in post-crisis situations, in close collaboration wit the UN Secretariat and other UN organizations.

UNDP has embarked on this journey out of the conviction that the only way to respond to the challenges facing international development cooperation in the long haul is to become a significantly different organization, and to spearhead change within the UN system for operational activities. This is a sink or swim proposition. Incremental change is not enough. Reinvention is about altering organizational culture, developing new capabilities, and achieving and sustaining measurable results.

During the past eighteen months, UNDP has made major strides in these directions. Primary emphasis has been placed on laying the foundations for long-term, sustainable change in the organization. Looking ahead to the coming year, I have consulted extensively with senior managers at Headquarters and with numerous Resident Representatives and representatives of our programme and donor countries. I would like now to share the five goals that we, together, must achieve.

Goal 1: Strengthening Country Offices for the Operationalization of SHD

1995 must be a year for accelerating SHD's shift from concept to action. We have a powerful new mandate and framework from our Executive Board. Now we must get busy consolidating the structure itself. This calls for the identification and sharing of successful initiatives under each of the four mission goals, further guidance on programme development, and a sharper focus on capacity building in governance for SHD. Within the SHD framework, we must give top priority to the eradication of poverty. Of our four goals, it is listed first for a reason. Let us make it clear that UNDP is the UN's anti-poverty organization - a world partnership against poverty. The results of the Copenhagen Summit are extremely important for UNDP's future work, and I will be communicating with you shortly about our new responsibilities in this regard.

Success in eradicating poverty, providing jobs and sustainable livelihoods, advancing women, and regenerating the environment will not be possible without effective governance and vigorous involvement of civil society, including both NGOs and the private business sector. Capacity building for such governance and building partnerships with civil society must be strengthened in many UNDP country programmes. Our new rules facilitating NGO participation in UNDP programmes should be implemented without delay.

Our greatest strength is our network of country offices. Decentralization and the strengthening of that network are both vital in successfully repositioning UNDP as a major resource in SHD. We must make measurable headway in reconfiguring the structure and staffing of our Country Office network, further ensuring that they are endowed with quality staff, more efficient procedures for planning and monitoring, deeper substantive capacities, new information channels, and clearly defined products and services. Training, staff selection, the clarification of expectations and the revitalization of service ideals are key supports. UNDP country offices will be equipped to help programme countries identify sustainable human development priorities responsive to their needs, fulfil national commitments under international agreements, and build needed capacities. At Headquarters, plans, services and initiatives must be firmly oriented towards providing guidance and support directed at the needs of the 85 percent of UNDP staff on the front line.

A 10-point business plan for implementing the decentralization package was recently discussed with Country Office representatives attending the Costa Rica meeting on the Integrated Project Management. The business plan sets out clear and monitorable strategic steps to be taken to empower and build capacity in Country Offices, while maintaining accountability. It recognizes that UNDP is first and foremost a field-based organization, and that programming and operational responsibilities should be fully entrusted to the Country Offices. Before taking further decisions on this plan, I am calling for a review of UNDP's financial rules and procedures to make sure that increased delegation of authority in matters such as programme and project approvals, contracting and other areas remains consistent with a satisfactory system of internal controls.

Operationalizing SHD requires both leadership and support from UNDP. (i) Country Offices can display leadership by example through pacesetting country and regional programmes. The time has come for all Country Offices to demonstrate initiative in SHD by interpreting and responding themselves to the opportunities for effective, focused interventions in their various different national settings. Some offices are well on the way to doing this, while others require more stimulus. (ii) Headquarters units should nourish and guide such individual initiatives, analyze progress and results achieved in different countries/regions, and draw out comparisons and lessons for feedback and replication. In particular, the reorientation of BPPS reflected in the "BPPE to BPPS" reorganization plan must be fully and quickly realized. BPPS' new field-oriented mandates have been precisely identified in that plan.

Goal 2: Resource Mobilization and Constituency-Building

An aggressive and diversified resource mobilization campaign, supported by a vigorous and articulate public awareness drive, is essential. Our campaign must be sensitive to the different approaches of various donors and also the different types of funding available to the organization. It should develop customized approaches to donor capitals supported by quality media products, public statements and articles. The campaign should affirm that core resources are at the centre of UNDP's instrumentality and that they provide the leverage and continuity that are needed to attract and programme non-core funds.

While pressing unremittingly for core pledges, we must continue to build non-core resources. The attached table shows that non-core resources are almost equal to core resources. We must recognize that trends in donor budgets point to the award of funds by theme. A UNDP "product line" must be developed - a menu of development services built on UNDP's proven capabilities and linking donor interests to country-driven development priorities. We must be ahead of the curve here in readiness for a new framework or development cooperation. Cost-sharing, both with bilateral agencies and with programme countries must increase in all regions.

A new priority must be given to resource mobilization at the country level. Country offices must be encouraged - and helped - to tap bilateral budgets and loan funds from the financial institutions, and to identify country - or region-specific agendas which provide UNDP with access to new resource flows.

Two "cultural" changes within UNDP are essential. Regarding financial resources, UNDP must shift from "how to spend" culture to a "how to mobilize and spend' one, with responsibility for raising funds widely dispersed in the organization.

Simultaneously, UNDP must become "constituency oriented", complementing our clear sense of service to our stakeholders with a major outreach campaign to mobilize support for UNDP's work with NGOs, women's organizations, private businesses, the science and technology community, parliamentarians and others. UNDP must have a stronger media presence, a clearer public profile, and a more active constituency base.

Goal 3: Preparation of the 1996-97 Biennial Budget Strategy and Fifth Cycle Successor Arrangement

How we deal with these two challenges will share the future of UNDP for years to come. The budgetary environment means that we have some hard choices to make in order to continue with the transition to leaner and better business practices. We can either be driven passively by financial necessity, or act on the opportunity to move ahead of events with a budget and resource allocation plan that anticipate the UNDP of the future. At Glen Cove, senior managers recently focused on goal-driven approaches to expenditure reduction, and the Budget Group is currently working to translate these and related ideas into specific options, with identified costs. In looking at trade-offs, we must ensure that cost reduction is effected in a manner

consistent with UNDP's missions, goals and initiatives for change, and that capacities which will critically influence success in these directions are adequately funded. Further reorganization may be necessary to accomplish needed economies.

Negotiations on the planning framework, criteria for resource distribution and modalities for accessing resources in the next programming cycle are also at a decisive juncture. As with the budget strategy to which these programming matters are intimately related, we must see that our proposals to the Executive Board are aligned with the mandate for change embodied in decision DP/1994/39. The year 1995 should see UNDP's vision, mission, initiatives and resources cohere in a unified and credible framework for action. The new "6th Cycle" proposal to the Executive Board, is now available and will be discussed a the April meeting.

Goal 4: Improving Support to the UN System and Fulfilling UNDP's Role in the "Continuum"

UNDP must continue to broaden and strengthen its partnerships in the UN system. The ongoing discussions on the Agenda for Development, relations with the Bretton Woods institutions and the Specialized Agencies, new initiatives for Africa, and past and future U.N. conferences and conventions provide entry points to strengthen both UNDP and our partnerships inside and outside the United Nations. Events and reviews generated by the 50th Anniversary resent other opportunities for UNDP.

Well prepared follow-up to the major 1995-96 UN Conferences, both at the country and Headquarters levels, is vital. We must help in the design of appropriate institutional arrangements in conjunction with UN system partners. Our goal must be to help translate international agreements into concrete action plans with identified funding and a unified UN system response.

The role of the Resident Coordinator is growing rapidly in importance and responsibility, as the just-released CCPOQ guidelines underscore. The 1995 Triennial Review of Operational Activities will address this issue among others. The Resident Coordinator system is one of UNDP's major contributions to the United Nations and to development cooperation. Continuing to build and strengthen the system and support our Resident Coordinators is now a paramount responsibility for UNDP. Each regional bureau must give the role of the Resident Coordinator a new priority. The new Resident Coordinator support plan must be strengthened and fully implemented.

It is apparent that almost half of all ODA channelled through the United Nations is now allocated for emergency relief operations. Drawing talent from throughout the UN system, UNDP must provide the UN system with a strong capability to handle the Humanitarian Coordinator function through the Resident Coordinator system, thus rationalizing country-level coordination and preserving the link between development and crisis management. In this and other ways, we must continue to build our links to DHA. Even more, we can take the lead within the UN in what the Secretary-General has termed "preventive and curative" development -

development that mitigates or halts the onset of catastrophe by providing hope and opportunity and that helps societies rebuild, mobilize and reintegrate in the aftermath of crisis. A development organization in today's United Nations must seek to surround crises with opportunity. UNDP must be a strong development partner for HCR and others.

To pursue this responsibility, we must carefully appraise and strengthen the capabilities of our offices in emergency-prone countries. A rapid expansion of UNDP's cadre of experienced and tested managers and the formation, as required, of special teams of readily-mobilized staff are related priorities. None of this, of course, can be done without first weighing the costs of training, recruitment and temporary staff deployment for handling emergencies, and taking the right decisions in our budget strategy. The position paper on UNDP's response to emergencies is being finalized, taking into account the views of the SMC, and it will shortly be available as a guide to action.

Goal 5: Improving Management Accountability and Information Systems

Management accountability is a fundamental issue linked to UNDP's overall image, efficiency and effectiveness. We must continue to root out and correct weaknesses in UNDP's performance that have been identified by the Board of Auditors. On the administrative side, systems and procedures in place for the management of reserves, the use of consultants. inventory control and cost-effective procurement should be rigorously applied. Compliance rates in key areas such as programme financial monitoring and evaluation are low and must be brought up. The review function of the Standing Committee on Personal Responsibility and Financial Liability must be scrupulously maintained. We must also build on successful initiatives such as the Regional Service Centre mechanism which has delivered significant improvements in the auditing and monitoring of field office accounts.

We must learn from and build on our management skills training and team-building experience to strengthen our management culture and staff morale. The linking of strategic plans to unit and individual plans, with clear performance dimensions that will also be reflected in PARS, is under way. Good performance planning and assessment, clear recognition of achievement and quick action to address non-performance hold the key to an effective and responsible management regime.

We must aggressively implement our new policy on gender equity within the organization and also find new ways to recognize and take till advantage of the tremendous talent and dedication of our National and General Service staff members.

Programme management requires continued close surveillance, as evidenced by the comments of several Executive Board members at their January 1995 session. New instruments such as the Programme Support Document and the Programme Support Implementation Arrangement, as well as effective use of existing tools such as evaluation feedback, can help to sharpen the focus of UNDP programme interventions, reduce their number and define performance measures. These instruments must be applied consistently

Capturing, tracking and applying UNDP's experience and performance is no possible as long as the programme database and information systems remain mired in the past. We must act quickly to overcome this disabling limitation and move on to genuine output-based programme evaluation and monitoring, including financial monitoring, effective learning and the dissemination of meaningful results. A clear priority is sharply enhanced ability to allocate expenditures and projects against our new programme goals, using up-to-date sub-categories. Finding ways to reconstruct the database so that it goes beyond outmoded classification to yield more relevant and dependable allocation, progress, and results information is an early priority. Ready access to new programme information categories and evaluation data by Headquarters units and Country Offices is a related priority. The latter should be a major goal of the decentralization package.

We must move decisively to join the information revolution, and to position UNDP competitively within it. The alternative - to let that revolution pass us by - is unthinkable.

These five directions arise, from the circumstances facing UNDP and the framework for dealing with them which has been defined, elaborated and put in place in the last eighteen months. I invite your comments to me on steps I can take to realize these goals. Mechanisms are either in place or soon will be to promote progress in these directions. But your own initiative is what will make the difference. **I count on each of you to ensure that UNDP pursues these directions with energy, enterprise and conviction. You are the experts on how to get things done within and by UNDP, and you know your areas of responsibility. I am counting on you for results. Even more, the success of our programme depends on your decisive leadership.**

Annex II

DRAFT MISSION STATEMENT a/

WE THE PEOPLES OF THE UNITED NATIONS DETERMINED
...to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small,
...to promote social progress and better standards of life in larger freedom, and for these ends
...to employ international machinery for the promotion of the economic and social advancement of all peoples,
have resolved to combine our efforts to accomplish these aims ...

From the Preamble to the Charter of the United Nations

We, the staff of the United Nations Development Programme, affirm our mission and corporate goals to be as follows:

Mission

We belong to the United Nations family and we uphold the vision and principles of its Charter. Our mission is to help countries build national capacity to achieve sustainable human development, giving top priority to eliminating poverty. We assist countries to define and carry out development programmes that respond to their own priorities, are people-centred, and concentrate on equity, employment, empowerment and environmental regeneration.

Corporate Goals

Our mission is guided by three corporate goals defined by our Executive Board:

- To strengthen international cooperation for sustainable human development and to serve as a major substantive resource on how to achieve it;

- To help the United Nations family become a unified and powerful force for sustainable human development; and

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a/ **This draft follows the three-part structure of a typical mission statement used by corporations and some donor agencies. The mission is stated in terms of mandated goals and functions that define the organization's main purpose; the corporate objectives** are the key goals of the organization within this mandate (decision 94/14); the **corporate priorities** reflect the "philosophy" of the organization and the salient features of its operations.

- Most importantly, to focus UNDP strengths and assets to make the maximum contribution to sustainable human development in the countries we serve.

Corporate Priorities

Our work is country-based and country-driven. Eighty-five per cent of our staff works in our network of 136 offices servicing more than 174 countries.

We firmly believe that development is inseparable from the quest for peace and global security, and that the pursuit of sustainable human development is a wiser, more effective, more humane and **more cost-effective** investment in the future than action to re-establish peace after it has broken down.

We recognize that development must meet the needs of people today while safeguarding the options of future generations. The programmes we assist promote poverty elimination, the creation of employment and sustainable livelihoods, the advancement of women and the regeneration of the environment. In support of these areas of focus, when so requested, we help to foster an enabling environment for popular participation, private sector development, responsible governance, and growth with equity. We also act quickly to help in rebuilding societies in the aftermath of war and humanitarian emergencies.

In administering our assistance, **we rely on the support and counsel of our 36-member Executive Board, representing our partner countries.** We draw on the expertise of **international consultants,** developing country nationals, civil society organizations, the specialized agencies of the United Nations system and research institutes in relevant fields. We also actively promote the sharing of experience among developing countries.

At the country level, our Resident Representatives serve as Resident Coordinators of the operational activities for development. They help to orchestrate the full **financial**, intellectual and technical resources of the United Nations system in support of national development.

We allocate the programme funds entrusted to us through criteria which favour low-income and least developed countries. We receive voluntary contributions from nearly every country in the world.

We conduct our work in a manner transparent, impartial and accountable to all our stakeholders, including our staff.

We are committed to a process of continuing self-evaluation and reform, not only to improve our own efficiency and effectiveness but also to assist the United Nations system in becoming a stronger force for the benefit of the countries and people we serve.

In a changing world, we will continue to help frame a new agenda for international development cooperation and to assist countries to respond to its global, regional and national dimensions.

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MATTERS RELATING TO THE PROGRAMMING CYCLES

Implementation of the successor programming arrangements

Report of the Administrator

CONTENTS

		Paragraphs	Page
I.	PURPOSE	1 - 3	2
II.	SUMMARY OF THE GUIDELINES FOR THE IMPLEMENTATION OF THE SUCCESSOR PROGRAMMING ARRANGEMENTS IN UNDP	4 - 33	3
	A. Introduction	7 - 8	3
	B. Country-level programming - the country cooperation framework	9 - 15	4
	C. Resource assignment	16 - 25	5
	D. Programme review, monitoring and oversight	26 - 29	7
	E. Start-up and phasing-in procedures	30 - 33	7
III.	POSSIBILITIES FOR STREAMLINING THE CCF WORKLOAD OF THE EXECUTIVE BOARD	34 - 39	8
IV.	EXECUTIVE BOARD ACTION	40 - 41	9
	Annex		
	Criteria for assignment of TRAC resources		11

I. PURPOSE

1. At its annual session 1995, the Executive Board adopted its landmark decision 95/23 on the successor programming arrangements for the United Nations Development Programme (UNDP). The present report informs the Executive Board about the implementation of the successor programming arrangements, with specific reference to the development of guidelines that translate the provisions of decision 95/23 into a set of operational procedures and processes. An initial set of guidelines has been prepared covering country-level programming, resource assignment and programme review for the first two lines of the target for resource assignment from the core (TRAC). These guidelines also include start-up and phasing-in procedures that permit immediate, limited programming of TRAC resources, in line with Board directives, pending the finalization of a new country cooperation framework (CCF) for each programme country. Such measures ensure that programme countries can derive maximum benefit from the new arrangements as soon as possible.

2. The guidelines described above are currently being finalized for translation and circulation to country offices. A summary of these guidelines is provided below; the full text will be distributed to the Executive Board as soon as it is available. Additional guidelines are being produced for other facilities under the successor arrangements and should be available for the second regular session of the Board in March 1996. The full set of guidelines will be issued officially following receipt of initial feedback from country offices, and taking into account any guidance the Board may wish to provide in this regard.

3. The report also responds to paragraph 12 of decision 95/23, in which the Executive Board specifies that "new country cooperation frameworks (country programmes) be developed by recipient governments in consultation with UNDP and that they be submitted to the Board for endorsement" and that the Board "consider further, at its first regular session 1996, the involvement of the Board in programming processes and procedures". The final selection of the present report outlines the overall process for country-level programming under the successor arrangements and highlights, for further consideration, the involvement of the Board in these processes. The Board may also wish to consider some possibilities, also included in the report, for streamlining the workload associated with the review of country cooperation frameworks, especially during the introductory period of the successor programming arrangements.

II. SUMMARY OF THE GUIDELINES FOR THE IMPLEMENTATION OF THE SUCCESSOR PROGRAMMING ARRANGEMENTS IN UNDP

4. It is foreseen that the full set of guidelines will comprise three parts. The introduction and part A cover country-level programming, resource assignment and programme review (including start-up procedures); they are summarized below.

5. Other sections of the implementation guidelines are currently under preparation and are expected to be available for the second regular session 1996. These are: part B, covering other country-level lines (i.e., resources available under line 1.1.3 for development in countries facing special circumstances and line 3.1 for programme support for resident coordinator functions); part C, covering other core resource facilities (e.g., regional, interregional and global programming, technical support services) as well as annexes on specific topics.

6. The summary below is divided into the following sections: (a) introduction; (b) country-level programming - country cooperation framework; (c) resource assignment; (d) programme review and monitoring; and (e) start-up and phasing-in procedures. The key procedures for each of these stages are briefly summarized and the role of the Executive Board noted in the overall process.

A. Introduction

7. The introduction provides a very brief overview of the contents of the series of documents submitted to the Executive Board in the year leading up to the decision on the successor programming arrangements. The section describes the origins of the prior programming cycle concept based on a fixed five-year cycle with preallocated indicative planning figures (IPFs). The key changes in the environment for development cooperation are noted, in particular the various programming mandates established for UNDP in recent years, including the programme approach, national execution, and enhanced resident coordinator functions. Executive Board decisions on initiatives for change (94/14) and on the future of UNDP (95/22) are given special attention, noting the three major goals and four focus areas for UNDP and the confirmation of poverty elimination as the overriding priority for UNDP programmes.

8. The introduction highlights the main features of the new successor programming arrangements, noting that the Executive Board has replaced an entitlement-based system with a merit, performance and incentive-based one that provides greater impetus for sharply focused, high-impact programmes supporting national efforts towards sustainable human development (SHD), with an emphasis on poverty elimination. Some of the more striking features of the successor arrangements as set out in decision 95/23 are also summarized.

B. Country-level programming - the country cooperation framework

9. The CCF is the prime instrument for programming UNDP resources at the country level under the successor arrangements. The CCF is developed by Governments in consultation with UNDP and sets out, for Executive Board review, the intended nature, focus and financial scope of UNDP cooperation in the country. Once the Board endorses the CCF, it becomes the framework that guides the programming of all UNDP-managed resources in the country for the period specified. Reviewing the CCF at an early stage in the overall programming process enables the Board to comment upon the broad, strategic directions for cooperation and have these views taken into consideration before actual programme formulation begins.

10. The CCF covers a medium period (three to five years) that is harmonized to the extent possible with national planning horizons and the time frames of other United Nations system activities. It should be a brief, strategic document ranging from six pages in length to a maximum of ten pages for the very largest programmes.

11. The development of the CCF is based on: (a) a thorough analysis of national development priorities from an SHD perspective, especially poverty elimination; and (b) an overview of the broader context of external cooperation in the country, including the factors affecting the impact of current UNDP support. For this analysis, full use is made of other recent policy instruments. Prime among these is the country strategy note (where one exists), which takes into account national priorities and plans and is designed to ensure effective integration of United Nations system development cooperation. Use can also be made of other policy vehicles such as national human development reports, poverty and sectoral analyses, and preparations related to the round-table and Consultative Group mechanisms.

12. In preparation for the CCF, the UNDP country office drafts a preliminary programme note (PPN). This note is structured along the same lines as the CCF and draws on the policy instruments mentioned above and the programme approach. UNDP headquarters reviews the note in order to bring to bear a cross-cutting range of organizational experience on the possible directions for UNDP cooperation in the country. The review is carried out by the Programme Monitoring and Oversight Committee (PMOC), chaired by the Administrator with high-level participation from relevant UNDP units. After this review, the PPN becomes the basis for discussions with the Government on the development of the CCF.

13. The heart of the CCF sets out the overall strategy proposed for UNDP cooperation, taking into account the analysis of country-specific circumstances and the mandates and comparative advantages of the organization. The CCF delineates the SHD programme areas for UNDP support (perhaps not more than four) and describes how these relate to the national programme context, outlining national commitment to the success of the programme, the possibilities for joint programming with other development partners, the results or impact expected, and the likelihood of sustainability once support ceases. The CCF also outlines management arrangements for execution and implementation, monitoring and review, as well as a resource mobilization strategy and target for all UNDP-managed resources.

14. Once the Government has prepared the CCF in consultation with the UNDP country office, the document is reviewed at UNDP headquarters before being submitted to the Executive Board. The Government will, if it so wishes, have an opportunity to present the CCF to the Board. The Administrator will also highlight those CCFs for which the guidance of the Board is specifically requested. This action opens possibilities for streamlining the workload of the Executive Board with respect to the review and endorsement of CCFs. Further details are provided in section III.

15. Following the review of a CCF, it is expected that the Executive Board will take one of three actions: (a) endorse the CCF as submitted; (b) endorse the CCF with a request to consider specific comments made by the Board; and (c) not endorse the CCF, with a request for specific modifications.

C. Resource assignment

16. The endorsement of the CCF by the Executive Board establishes the basis upon which the Administrator exercises the authority to assign TRAC resources for programme formulation and implementation. Flexibility is intended to encourage countries to develop quality programmes in line with UNDP mandates and national development priorities. Thus, as specified by the Board in decision 95/23, in assigning resources for programme formulation, the two TRAC lines are not to be seen as separate financial facilities but rather as a common resource pool, subject to the same criteria.

Initial assignment

17. Following the full endorsement of the CCF by the Executive Board, the Administrator assigns UNDP core resources on the basis of an initial request prepared by the country office, with the full engagement of the Government. This request is based on the CCF and includes, where available, brief programme outlines elaborating the programme areas identified. The review of this request will be guided by the criteria shown in the annex to the present report.

18. Based on this review, the Director of the regional bureau concerned recommends to the Administrator the initial level of resources to be assigned to the country. In percentage terms, this assignment would be established at a minimum of the base TRAC level of 60 per cent. Where a country is in a position to submit programme outlines in line with the CCF, resource assignments at higher percentage levels will also be made.

19. The review also determines what substantive assistance may be needed for countries that initially lack capacity for programme development and management and recommends specific support and action. In assigning resources the Administrator must also take into account the financial integrity of the programme and the directives on the shares to flow to the different regions and to least developed and low-income countries.

Subsequent assignment

20. Initial resource assignments may be revised at subsequent stages. For this purpose, programme reviews are undertaken at periodic intervals following the approval of CCFs. Such reviews will be conducted in clusters to facilitate the work of the regional bureaux and other units involved and to account for the varying levels of programme build-up in countries following the initial resource assignment. Thus, the reviews will be scheduled typically one year after the initial assignments, with some reviews taking place approximately three months earlier and others three months later.

21. These reviews will be carried out from three perspectives: (a) a prospective review of the merit of future programme outlines as measured against the established criteria; (b) a retrospective review of the performance of programme activities financed from the initial resource assignments (with programme documents elaborated since the initial assignment of resources providing additional input); and (c) other factors considered relevant to the strategic role of UNDP in the country, as well the overall financial integrity and resource share considerations mentioned in paragraph 19 above.

22. The Director of the regional bureau concerned may recommend to the Administrator a revised or final level of TRAC resources to be assigned to the country. Such assignment, in percentage terms, could extend from the base TRAC level of 60 per cent to the enhanced level of 120 per cent, and will apply to the period of the CCF, unless otherwise requested. The Administrator will take the final decision on the TRAC assignments to countries, utilizing the advice of the regional bureaux and the PMOC review.

Delegation of approval authority

23. Once TRAC resources are assigned, the country office can proceed to formulate the full programmes and projects. The bureau delegates the authority to approve projects to individual country offices, taking into account the criteria being established for such decentralization, the capacity of each office, the complexity of the overall programme, and the nature of the specific programme or project. Thus, when recommending a level of resource assignment, the regional bureau may choose to identify whether any programme or project must be reviewed at headquarters prior to full approval. As outlined briefly in section C below, this delegation of authority is coupled with a system for programme review and monitoring, which ensures quality control accountability.

Release of resources

24. Resources at the assigned percentage level are formally released to cover a period of three years and permit the country to enter into programming commitments. The approval of project budgets must be kept within the resources formally released to a country.

25. Under the rolling, three-year planning scheme, the financial period is rolled forward at year end, with a new year added and the previous year dropped. Resources projected to be available for the new year are added to the global resource planning framework and additional resources are released to individual countries, ensuring that forward programming at all times encompasses a three-year resource period.

D. Programme review, monitoring and oversight

26. A revised system for programme monitoring, review and oversight is being established at the corporate, regional bureau and country-office levels to ensure that the Administrator can fulfil his responsibilities for the quality of UNDP operations and the achievement of specific policy and programme objectives.

27. The system emphasizes the capacity of UNDP country offices to meet these expectations, with headquarters providing corporate perspective and oversight. It operates at three levels: the corporate level (through the new, high-level Programme Management Oversight Committee (PMOC)); the regional bureau level (through the enhanced Bureau Programme Appraisal Committee (BPAC)); and at the country level (through the Local Programme Appraisal Committee (LPAC)).

28. It should be noted that this system will also serve to generate periodic reports to the Executive Board on the implementation of the CCFs and the UNDP programming achievements in key substantive and thematic areas.

29. With respect to the assignment of TRAC resources, the annual report of the Administrator to the Executive Board will summarize the assignments made, by country, by region, and for the least-developed and low-income country categories. The report will also highlight issues that may arise during the resource assignment process. In addition, based on the periodic biennial review of the operational activities of every country office, and on the formal mid-term review of the CCF, the Administrator will submit to the Board thematic and substantive reports on the key programming dimensions reflected in the successor programming arrangements. Where appropriate, specific regional concerns can also be addressed.

E. Start-up and phasing-in procedures

30. The foregoing sections describe how programming procedures and processes are expected to function once the successor programming arrangements are fully implemented with the endorsement of a new CCF for each programme country. However, in calling for a review of the experience with the arrangements during the introductory period (paragraph 29 of decision 95/23), the Executive Board also recognized the need to generate early build-up of programmes in line with UNDP mandates while the CCFs are being formulated in order to obtain the maximum, immediate benefit from the new programming arrangements. Thus, in addition to the procedures outlined above, the Administrator is also instituting what can be termed start-up and phasing-in procedures that will bring the successor programming arrangements immediately on stream.

31. Start-up procedures will apply to country programming and resource assignment until the end of 1997, when CCFs for most countries should be completed. The start-up procedures are based on the same principles as the regular guidelines and are designed to permit a switchover once the CCF is endorsed.

32. The start-up procedures permit limited, advanced programming for activities that are clearly consistent with the mandates and thematic focus areas established by the Executive Board. In this context, advanced programming is defined as programme formulation, approvals and implementation that takes place prior to the preparation and endorsement of a new CCF. The country office makes a request, in full consultation with the Government, indicating the expiry of the current country programme, the likely submission date for the new CCF, the updated financial status of the existing country programme and information on the new programming that would be undertaken in line with the objectives established by the Board. Where the country programme expires in 1996 (the majority of cases) and the CCF cannot be scheduled for Board review before the end of 1997, the country office must consult with the Government to request a formal extension of the existing programme, which would then continue to function as the legal instrument for advanced programming.

33. The regional bureau reviews the request in line with the standard criteria and recommends to the Administrator the level of TRAC resources to be released for immediate programming. This should be limited to the minimum level required pending the preparation and endorsement of the CCF. Once resources are assigned for advanced programming, the resident representative can develop, appraise and approve programmes and projects in line with the authority delegated by the regional bureau. As CCFs are developed and endorsed by the Executive Board during 1996 and 1997, subsequent reviews of requests for resource assignment will consider not only the programme outlines that stem from the CCF but also the experience with advanced programming in each country.

III. POSSIBILITIES FOR STREAMLINING THE CCF WORKLOAD OF THE EXECUTIVE BOARD

34. The majority of existing country programmes expire in 1996. This means that about 130 new CCFs could be submitted to the Executive Board at its regular sessions in 1996 and early 1997. Given the lead time required for the preparation of a CCF (eight to ten months), the bulk of the reviews would be pushed towards the latter part of the period. While it possible to insist that country offices complete their CCFs within the next year, logistical demands alone would prevent the Board from conducting much more than a cursory review of such documents.

35. Thus, it is fully recognized that the review of CCFs by the Executive Board could become problematic unless steps are taken to streamline review procedures and establish a strict submission schedule over the next two years. To this end, the following paragraphs put forth, for further consideration, some suggestions for rationalizing and streamlining the workload of the Board in this regard.

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36. First, it should be recognized that the start-up procedures themselves help to reduce the logistical problems by extending the schedule for submitting the expected large volume of CCFs to the first regular session 1998. If this were not the case, the majority of CCFs would fall due by the end of 1996. The extension enables the Executive Board to exercise its legitimate role more effectively in the review of CCFs. Furthermore, allowing limited advanced programming to take place while CCFs are being developed, will help to generate a critical mass of early experience with the new arrangements that the Board can take into account in their subsequent review of CCFs.

37. With respect to scheduling CCF reviews by the Executive Board, the table below indicates the likely number of CCFs to be reviewed during the regular sessions of the Board in 1996, 1997, and early 1998, recognizing that the annual session of the Board would be dedicated solely to policy issues and not to consideration of CCFs. During 1997 and early 1998, a very heavy workload of 30 to 50 CCFs per regular session can be expected.

38. Given that the current Executive Board is a smaller entity than the previous Governing Council, it may be possible to carry out the review of CCFs in plenary. However, the Board may wish on occasion to convene working committees specifically to review CCFs. To assist the Board in this respect, efforts will be made to streamline the work and time taken up by the reviews.

39. For instance, as mentioned earlier, the Administrator will highlight a representative selection of CCFs taking into account complexity, geographic region, innovative features, etc., including those for which specific guidance is sought. Although any CCF may be discussed, this action would permit the Executive Board, if it wishes, to focus its attention on the CCFs highlighted. The Board may also wish to consider whether the presentation of the CCF to the Executive Board by the Government (and/or UNDP) should be optional; this would allow the Board to focus the presentations and its discussion only on highlighted CCFs. Similarly, to shorten the time spent in the discussion of acceptable CCFs, the Board could choose to endorse (by acclamation) an entire list of CCFs for which no major issues have been raised.

IV. EXECUTIVE BOARD ACTION

40. The Executive Board may wish to:

Take note of the present report and, in particular, the guidelines summarized therein.

41. The Executive Board is requested to consider the possibilities for rationalizing the workload associated with the review of CCFs and to provide guidance to the secretariat on the schedule for submissions and procedures that should be established for this purpose.

LIKELY NUMBER OF COUNTRY COOPERATION FRAMEWORKS TO BE SUBMITTED TO FUTURE REGULAR SESSIONS OF THE UNDP EXECUTIVE BOARD

Regular session		Expected numbers of CCFs a/
1996	First (January)	1
1996	Second (March)	5
1996	Third (September)	10
1997	First (January)	30
1997	Second (March)	35
1997	Third (September)	50
1998	First (January)	40

a/ These are tentative figures based on expiry dates of current country programmes and expected availability of new CCFs. This scheduling is subject to confirmation in consultation with the country offices/Governments concerned.

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Annex

CRITERIA FOR ASSIGNMENT OF TRAC RESOURCES

1. By its decision 95/23, the Executive Board established a two-tier system of TRAC earmarkings to provide core resource support for programmes outlined in the country cooperation framework. The system provides a base level of resources for all eligible countries. It also gives the Administrator the flexibility to encourage individual countries to develop quality sustainable human development programming and thereby attract additional resources.

2. Resources are assigned in one or more stages. The initial assignment of resources follows the endorsement of the CCF by the Executive Board. Additional resource assignments can be made following the submission of more detailed programme outlines.

3. In general, the assignment of TRAC resources will conform to the following guiding principles:

(a) The process of resource assignment should be transparent;

(b) The process should ensure that countries with limited capacity for programme formulation benefit fully from TRAC resources by, inter alia, strengthening their capacities for programme design and implementation in order to enhance their access to TRAC resources;

(c) The overall distribution of resources among countries and regions should conform to the general poverty orientation reflected in the allocation to low-income countries and least developed countries contained in paragraph 24 of Executive Board decision 95/23.

4. In assessing the quality of programmes for the assignment of resources, the following criteria will be applied:

(a) Contribution to national priorities: the extent to which the programmes contribute to the achievement of stated national priorities; the extent of national commitment as demonstrated by the allocation of national financial and human resources;

(b) Strengthening national capacity: the extent to which programmes serve to strengthen government capacities to manage or coordinate development; 1/ and address special needs and opportunities for capacity building that may emerge in some programme countries;

1/ In addition to strengthening national capacity for programme management, where relevant, this may involve preparation for key events such as round-table meetings, aspects of Consultative Group meetings, budget debates, the preparation of development plans and other forums for macro-planning.

(c) Thematic focus: the degree to which programme proposals are aimed at promoting high-leverage activities in the sustainable human development focus areas - namely poverty eradication, sustainable livelihoods, the advancement of women, environmental regeneration, and the cross-cutting theme of management development and governance. In line with Commitments 1 and 2 of the World Summit for Social Development and the Executive Board decision that poverty elimination be the overriding priority of UNDP programmes, particular recognition will be given to programmes stressing poverty elimination and the enabling environment required for that objective;

(d) Programme leverage: the extent to which the programme will impact measurably on sustainable human development and on the lives of the poor; is critical to the achievement of thematic objectives at the national or provincial level; will eliminate key bottlenecks to sustainable human development and thereby ease the way for other development assistance activities; and will serve as a model for possible replication elsewhere within the country;

(e) Resource mobilization: the extent to which programmes have the potential to attract and mobilize additional resources for national priorities.

5. The above criteria will be used for both the initial and subsequent resource assignment reviews, which will be carried out from three perspectives:

(a) A prospective review of programme outlines (including programme areas described in the country cooperation framework);

(b) A retrospective review of programmes developed or elaborated following the initial assignment of resources;

(c) Other factors considered relevant to the strategic support of UNDP to the country, including as stated above, directives on the minimum share of resources to flow to least developed and low-income countries.

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COUNTRY PROGRAMMES AND RELATED MATTERS

Assistance to Myanmar

Note by the Administrator

I. PURPOSE

1. The present report contains (a) an overview of the assistance provided to Myanmar since 1993 in accordance with Governing Council decision 93/21 and (b) proposals that the Executive Board may wish to adopt for further assistance to Myanmar within the framework of decision 93/21.

II. INTRODUCTION

2. In its decision 93/21, the Governing Council, recognizing there were critical humanitarian and basic human development needs of all the people of Myanmar at the community level, authorized an expenditure of up to $18 million from fifth cycle indicative planning figure (IPF) allocations to continue UNDP assistance during the 18-month period to December 1994. A further $7.5 million was carried over from fourth-cycle reallocated IPF resources. The Council decided that all future assistance from UNDP and related funds to Myanmar should be clearly targeted towards programmes having grass-roots level impact in a sustainable manner in the areas of primary health care, the environment, HIV/AIDS, training and education, and food security. It was also decided that assistance to Myanmar would be approved on a project-by-project basis.

3. At its second regular session 1994, the Executive Board agreed that the 15 projects being implemented responded fully to the mandate as outlined in Governing Council decision 93/21 and should be carried through to completion. It was understood that the issue of future programming for Myanmar could be

taken up at an appropriate time. Myanmar has been categorized as a least developed country since 1987.

III. PROGRESS OF HUMAN DEVELOPMENT INITIATIVE

4. A mid-term review and assessment of the 15 projects (described in their totality as a human development initiative (HDI)) was undertaken by an independent team of consultants, AGRODEV Canada Inc., in December 1994 and January 1995. The Harvard Institute of International Development also undertook several studies on selected aspects of HDI. Various other assessments, especially those carried out at a sectoral level by United Nations specialized agencies and international non-governmental organizations (NGOs) in Myanmar, have provided insights into the implementation process of HDI.

5. HDI has been under implementation for two years. Most of its resources have been allocated to seven townships in the Dry Zone, Shan State and Ayeryawaddy Delta (the term "township" in Myanmar refers to an administrative unit of 200 to 300 villages and small towns) while a smaller share has been allocated to seven townships in the Chin and Rakhine States. Projects have targeted rural areas almost exclusively. An effort has been made to focus project activities on the poorer groups of the population and those who are most vulnerable and at risk.

6. AGRODEV Canada Inc. stated in its report that the substance and content of the projects are in full conformity with Governing Council decision 93/21 and that they address urgent humanitarian needs and are focused on the areas approved, i.e., primary health care, the environment, HIV/AIDS, training and education, and food security. The consultants found that the three objectives that flow from Council decision 93/21, namely (a) direct impact, through improvements in community social and productive infrastructure; (b) indirect impact, through capacity-building at the village level; and (c) indirect impact, through capacity-building at the level of local support agencies, are all addressed through HDI.

7. It is still too early to make a definitive assessment of the impact of HDI activities in their entirety at the grass-roots level. While all projects are still ongoing and yet to be completed, there is a visible impact at the village level of many HDI activities. Primary health care services have been improved in the selected townships; school buildings have been upgraded, and the provision of textbooks and other school supplies have made an important difference to the educational situation; primary school teachers and village level health-workers have been trained; access to water and sanitation facilities have improved in many villages; an important impact has been made on the environment through improvements in watershed, mangrove and community-forestry management. Important new techniques have been transferred, especially in watershed and mangrove management through integrated approaches in their development. The innovative development of wood stoves has generated an extensive popular appeal in some of the dry zone townships; improvements have been made in the food security of poorer groups; and income-generating activities have been stimulated. In all these activities, there has been a

strong focus on the role of women and on improving their contribution to village-level activities.

8. Significant efforts have been made to ensure the adoption of a genuine participatory approach at the local level in implementing HDI activities. Grass-roots organizations have been intensively engaged in undertaking needs assessment, identifying priorities and designing local-level activities. Women's groups have been particularly associated in income-generating activities. National and international NGOs have played an important part both in project design and in implementing selected activities. Township and village-level administrative authorities have cooperated extensively in facilitating project implementation and service delivery.

9. In managing these projects, considerable coordination and cooperation have been achieved, especially at the township and village levels even though 15 different projects are being implemented by five United Nations specialized agencies. The township programme assistants (TPAs), a cadre of 28 local persons (many are former United Nations Volunteers (UNV) specialists) have been instrumental to a considerable extent in generating enthusiasm and facilitating implementation of tasks at the village and township levels.

10. While the overall and sectoral progress of projects can be deemed successful and imaginative, there are shortcomings emerging - primarily from the short duration and time frame assigned to HDI. This has necessitated the quick design of projects and selection of activities that lend themselves to early impact. Sustainable capacity and organizational building at the village level cannot be easily accommodated within such a time frame. HDI largely targets poorer groups of the population although further refinements are required to make a greater impact on the very poor in the rural areas. There is also scope for significant improvements in management structures, primarily at the local level, so that more extensive linkages can be established between project activities, which could generate greater synergy.

IV. FUTURE NEEDS ASSESSMENTS

11. Based on the experience of HDI so far, the country office, in consultation with the Regional Bureau for Asia and the Pacific, has initiated an extensive process of consultation and analysis with a view to developing a package of proposals for an extended phase of HDI. AGRODEV Canada Inc. and the Harvard Institute for International Development have made several proposals for its future orientation. Consultations have taken place with all United Nations specialized agencies resident in Myanmar and other United Nations agencies. The United Nations International Drug Control Programme (UNDCP), the United Nations Population Fund (UNFPA), the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Children's Fund (UNICEF), have all been consulted on issues relating to their mandates. Other specialized agencies (the Food and Agriculture Organization of the United Nations (FAO), the United Nations Centre for Human Settlements (Habitat) (UNCHS), the United Nations *Educational, Scientific and Cultural Organization* (UNESCO), the World Health Organization (WHO)) and the United Nations Office for Project Services (UNOPS),

have been closely involved as executing agencies in HDI and they are fully engaged in the ongoing consultative processes for the extended phase.

12. A project formulation mission, comprising experienced consultants and with representation from some United Nations specialized agencies and international and national NGOs, was fielded in October 1995 to develop a formulation framework for continuing activities under HDI and to identify and develop feasible project activities. The mission has carried out its task strictly within the framework of Governing Council decision 93/21. The mission has undertaken extensive consultations at all levels in Myanmar, particularly at the village and township levels, and in direct meetings with community-based organizations and village people. Local authorities have also been consulted at the village and township levels. Consultations have also taken place with NGOs, United Nations specialized agencies, project personnel, and diplomatic representatives resident in Myanmar and with the Government to obtain their cooperation in the implementation of project activities.

V. HUMAN DEVELOPMENT INITIATIVE: CONTINUING ACTIVITIES

A. Recommendations for future assistance: key considerations

13. Several key factors have determined the nature and content of the proposals to continue activities under HDI that are being submitted to the Executive Board for its consideration.

14. All proposed projects are within the framework of Governing Council decision 93/21. These projects are expected to address critical issues in the areas of: primary health care (including the control and reduction of malaria and leprosy); the environment; HIV/AIDS; training and education; and food security. They will continue to address in particular the humanitarian and basic human needs of the people of Myanmar.

15. The current project structure is being largely maintained, as recommended by the project formulation mission, and has been modified pragmatically with the twin aims of consolidation and gains in efficiency. It is necessary, especially in the interest of sustainability, not to disrupt and disturb the momentum that has been generated through current project activities. Project personnel have been in their assigned tasks only for periods ranging from 12 to 18 months; evolving working relationships, if drastically changed at this point will require yet another fresh start and another period of time for consolidation. Improvements are being effected to increase the level of coordination and interlinkages among project activities. Particular attention to township and village-level coordination and a redefined role for township programme assistants are expected to be key features in a reformed management structure.

16. Within the overall framework of current approaches, adjustments and modifications are planned in the range and content of project activities, where appropriate. These changes will be directed at targeting the benefits of project interventions more directly to the poorer, vulnerable and high-risk groups of the population. They will also be focused more on appropriate income-generating activities, especially for women. Improvements will also be effected

to generate a greater impact at the grass-roots level. Particular attention will be paid to achieving greater cost-effectiveness and enhancing sustainability.

17. The experience of HDI so far calls for greater flexibility in the design and implementation arrangements for projects to ensure continued and effective response to changing needs at the village level. This will also enable more efficient participation by local people in needs assessment and in the implementation of activities, including social and resource mobilization. An important consideration for the extended phase will be to stimulate such flexible and participatory approaches. It is expected that civil society organizations, including NGOs, will be active partners in the design and implementation of HDI activities.

18. Project activities will be concentrated largely in the 14 townships in which they are being currently implemented (apart from primary health care, control and reduction of malaria and leprosy and HIV/AIDS, which are nation-wide activities). Approximately six additional townships will be included, of which two will be in complementary relationships with UNHCR, to assist returnees to reintegrate themselves into the development process. Consultations are also being undertaken with UNDCP to undertake appropriate activities in accordance with Governing Council decision 93/21. Within the 14 townships, additional villages will be included in project activities from which they have so far been excluded. It is expected that the extended phase of HDI will benefit a larger number of poorer people, especially as a result of the inclusion of new villages in currently operational townships.

B. Project proposals

19. The projects proposed are intended to provide a focused and coherent response to important humanitarian and environmental needs in Myanmar. The limited resources available to UNDP can meet only a small part of these needs and are being targeted to villages and townships in those divisions and states in the country that are particularly deprived, suffer most from acute poverty and are most vulnerable to environmental hazards. While each project will be in the form of a set of discrete activities, it is evident that there are groups and clusters within them that require interconnections. In the design and implementation of all of these projects, continued close cooperation and collaboration will be ensured with United Nations specialized agencies, and especially with UNICEF and UNFPA in areas such as education, water and sanitation, HIV/AIDS, the control and reduction of malaria and leprosy and iodine deficiency.

20. Having taken note of these background concerns and considerations, especially the findings of the project formulation mission, the Administrator proposes the following thematic and sectoral structure for project activities.

1. Human development and humanitarian needs

21. A cluster of projects, focused primarily on enhancing levels of human development, and also targeted to meeting critical humanitarian needs, will aim at implementing Governing Council decision 93/21 in these areas.

22. The project on education will be focused entirely on basic and non-formal education. Two projects in education in HDI have generated a momentum in many villages in the seven townships, by a visible impact in terms of renovated school buildings and textbook and pencil supplies. It has also organized training for primary school teachers, and school-garden activities to improve nutrition and generate revenues for school maintenance. The proposed project will continue these activities in a larger number of villages, and will emphasize the training component even further. Non-formal education will be a new key feature in the project, enabling larger numbers of people to benefit from educational processes.

23. The project on water and sanitation will continue to build on the work of HDI in providing villages with inexpensive systems of access to water, based on needs assessment through a community-participatory approach and through cost-sharing. The project will aim at taking up a much larger number of villages in the seven townships, applying a tested methodology that has had a high degree of success not only in Myanmar but in other countries.

24. The project on HIV/AIDS will be linked to the regional programme based in New Delhi and will focus particularly on the socio-economic causes of the problem, which is assuming alarming proportions in Myanmar. It will aim at strengthening national courses and the programme of action to prevent the spread of HIV/AIDS through a clearer understanding of the transmission mechanisms. The project will work in collaboration with the national programme for HIV/AIDS prevention.

25. Activities of current projects in the control and reduction of malaria and leprosy will be incorporated into the ongoing project on primary health care. In collaboration with UNICEF, attention will be focused on iodine deficiency, which is having a significant impact on the mental development of children and the welfare of women, particularly in the border areas. This project, concentrating on the Dry Zone, Ayeryawaddy Delta, and the border areas, will continue the work of HDI in meeting the basic health needs of the people in these regions.

2. Environment and food security

26. Improvements in environmental and natural resources management practices are urgently called for in the project areas of HDI in view of their fragile and highly vulnerable resource systems. Food and fuelwood requirements, particularly of the poorer groups of people, can be met sustainably only through greater attention to resource management practices in these areas. Environmental resources have been rapidly depleted as a result of population pressures and increasing demands for consumption.

27. A project in the Dry Zone of Myanmar will address agriculture and forestry issues, focusing on the poorer farmers and landless people, with the objective of creating income-generating activities through improved access to land, water and forest resources. The innovative work already under way to develop and market highly energy efficient wood stoves, easing the pressure on depleting wood stocks and reducing the burden on women in particular, will be continued. This project will bring together the activities currently undertaken under two separate projects on agriculture and forestry.

28. The watershed management project in the Shan State, building on the achievements of its predecessor, will further develop innovative techniques in watershed management, adopting community participatory approaches and building a community consensus on the utilization of watershed forests. Related income-generating opportunities that will be stimulated should ease the pressure on forest exploitation through enabling poor people to have access to alternative incomes.

29. The project on mangroves in the Ayeryawaddy Delta has initiated a systemic approach in rehabilitating the extensive mangrove habitations of the region, which have been largely destroyed due to the uncontrolled exploitation of forest and aquatic resources. The project will continue to build on these approaches, involving local communities in mangrove management. This project has been particularly beneficial to some of the poorest households in the country and is replenishing a unique environmental resource.

30. The two projects on watersheds and mangroves constitute integrated approaches to sustainable environmental management.

3. Intersectoral projects

31. Three projects of an intersectoral nature, encompassing environmental and human development concerns, are proposed for early implementation. These are clearly in line with Governing Council decision 93/21 and are important in ensuring the impact and sustainability of activities undertaken in most projects.

32. The quick impact projects that were implemented in the Chin and Rakhine States under HDI were a response to urgent needs that required immediate attention in these areas. They will now be redesigned to obtain a more sustainable impact. An integrated approach will be adopted in a combined project that will include a range of interventions across several sectors (education, environment, water and sanitation, food security and income-generation). The project will aim at building capacities at the grass-roots level through participatory approaches and will also address the humanitarian needs of vulnerable and high-risk groups in these deprived areas.

33. Governing Council decision 93/21 clearly requires that project activities should have "grass-roots level impact in a sustainable manner". To ensure such an outcome, several of the ongoing projects have included important components of micro-credit, especially for the very poor. It is feasible to mobilize the support of international NGOs and civil society organizations in developing a

range of activities, particularly in micro-credit, to enable poor and vulnerable groups to undertake activities for their well-being and welfare. Women in poor households would be the primary beneficiaries from a project of this kind.

34. The task of UNDP in continuing to implement HDI will be complex and continuous and will demand a range of skills to monitor, evaluate and analyse micro-level interventions and to stimulate sustainable grass-roots impact. It is therefore proposed that the current programme support project be modified to undertake several critical functions for the overall management of HDI. It will enable monitoring and evaluation through the current cadre of better-trained township programme assistants. Key critical analytical activities will be undertaken to understand more precisely region- and township-specific factors that impinge on poverty and to enable relevant technical interventions to be designed. The project will also selectively examine those issues that have a direct bearing on its portfolio of village-based activities, with a view to enabling greater sustainability. The project will also facilitate common training arrangements, and capacity-building for NGOs.

VI. ALLOCATION OF RESOURCES

35. An unallocated amount of $52.076 million from fifth cycle IPF resources (1992-1996) is available for programming. In its decision 93/21 the Governing Council authorized an expenditure of $18 million from fifth cycle IPF resources in addition to reallocated IPF resources from the fourth cycle. This amounted to $7.5 million, yielding a total sum of $25.5 million over an 18-month period, which represents an annualized authorized expenditure of $17 million. It is anticipated that total annual expenditures will be maintained at the same level of $17 million per year.

VII. EXECUTIVE BOARD ACTION

36. The Executive Board may wish to:

(a) Approve continued funding of activities in the sectors previously outlined in Governing Council decision 93/21;

(b) Authorize the Administrator, on a project-by-project basis, to approve projects for a total amount not exceeding $52.076 million during the period 1996-1997;

(c) Authorize the implementation of the approved projects until their completion, with annualized expenditures not exceeding $17 million per year;

(d) Requests the Administrator to submit, at its first regular session 1998, an assessment of the extent to which the assistance provided to Myanmar continues to meet the provisions of present Executive Board decisions, including Governing Council decision 93/21.